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**UNITED STATES DISTRICT COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

ROVI GUIDES, INC.,	)	Case No. 2:19-cv-00275-AG-FFM
	)	
Plaintiff,	)	<b>ROVI'S OPPOSITION TO</b>
	)	<b>COMCAST'S MOTION TO</b>
v.	)	<b>STAY</b>
	)	
COMCAST CORPORATION; COMCAST	)	Judge: Andrew J. Guilford
CABLE COMMUNICATIONS, LLC;	)	
COMCAST CABLE COMMUNICATIONS	)	Hearing Date: August 19, 2019
MANAGEMENT, LLC; COMCAST	)	
BUSINESS COMMUNICATIONS, LC;	)	Time: 10:00 a.m.
COMCAST HOLDINGS CORPORATION;	)	
COMCAST SHARED SERVICES, LLC;	)	Courtroom: Santa Ana Div., 10D
COMCAST OF SANTA MARIA, LLC; and	)	
COMCAST OF LOMPOC, LLC,	)	
	)	
Defendants.	)	

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1           **I.     INTRODUCTION**

2           Comcast's motion for a stay should be denied. In these unique circumstances,  
3 there is a much better, fairer, and more legally correct way to accommodate the  
4 competing needs and desires of both parties—Comcast's desire to avoid duplicative  
5 work between this Court and the PTAB and Rovi's need to have its patent claims  
6 proceed expeditiously to judgment that are not the subject of an instituted *inter partes*  
7 review (IPR) proceeding. Rovi's proposal is fair to both sides. Comcast's requested  
8 relief is not.

9           Comcast's motion is silent about the facts that demonstrate Rovi's need to have  
10 its patent claims in this action proceed expeditiously to judgment and the prejudice  
11 Rovi will suffer if it does not. Comcast's prior license with Rovi expired on April 1,  
12 2016. Comcast, unlike every other Tier 1 cable and satellite TV provider, did not  
13 renew its license and kept practicing Rovi's patented technology without permission.  
14 Comcast has now been adjudged a serial infringer of Rovi's patents by the ITC.  
15 Normally, one or more exclusion orders and cease and desist orders from the ITC  
16 would result in a business settlement, the payment of a licensing fee, and the cessation  
17 of litigation between the parties. Not here. Comcast, with its inordinate free cash flow  
18 and its contempt for both the patent rights of others and the interests of its own  
19 customers, chose instead to eliminate useful features covered by the infringed patents  
20 from its X1 product and keep litigating. Indeed, rather than pay the same license fee  
21 that all its competitors pay for the Rovi portfolio, Comcast chose to eliminate remote  
22 DVR recording and highlighting search results to guide users through searching the  
23 X1 Platform with their remote control keypads.

1 The imminent threat of a damages award is important to driving Comcast to  
2 take a license that is consistent with the rest of the industry. Although Rovi has filed  
3 six district court lawsuits toward that end, the district court cases seeking damages for  
4 infringement of the patents asserted in Rovi's three ITC actions against Comcast have  
5 all been stayed pursuant to a mandatory stay statutorily available upon a respondent's  
6 request (which Comcast has exercised). In the other district court cases, including this  
7 one, Comcast has stayed or seeks to stay the entire proceeding due to the pendency of  
8 IPRs and protract the proceedings, ostensibly hoping that this much smaller company  
9 will give up the fight.

10 For all the reasons expressed below, the better, fairer and more legally correct  
11 way to accommodate the competing needs of the parties is for the Court to deny  
12 Comcast's motion without prejudice at this time. If Comcast files its promised IPR  
13 petitions on all asserted claims and if an IPR on all claims of one or more patents is  
14 subsequently instituted by the PTAB, the Court with much more pertinent information  
15 than it has now should then consider how best to proceed with this case to be fair to  
16 both parties. Rovi's detailed proposal for that evaluative process is set forth below in  
17 Section IV. E.

## 18 II. FACTUAL STATEMENT

### 19 A. Comcast licenses Rovi's portfolio, renews its license, then holds 20 out when its renewed license expires—forcing Rovi to file 21 multiple cases.

22 In 2004, when Rovi's US patent portfolio was less than half the size it is today,  
23 Comcast paid Rovi over \$250 million for a license to Rovi's patent portfolio, and then  
24 renewed the license in 2010. Rovi's Am. Compl. ¶¶ 2, 57-60. Prior to the license's

1 expiration on March 31, 2016, Rovi and Comcast began negotiating an extension.  
2 Rovi had secured license extensions with every other major Pay-TV provider on the  
3 market, including AT&T, Charter, DISH, and Verizon. *Id.* ¶¶ 8, 51. But Comcast held  
4 out. After numerous meetings and despite Rovi providing more than 50 claim charts  
5 showing how Comcast used Rovi’s patents, Comcast refused to pay the same  
6 reasonable rates as every one of Comcast’s competitors.

7       On April 1, 2016, Rovi filed the first two of nine enforcement actions (so far)  
8 against Comcast when it filed two district court actions in the Eastern District of  
9 Texas (which were later transferred to the Southern District of New York). *Id.* ¶ 89.  
10 *See Rovi Guides, Inc. v. Comcast Corp.*, Case No. 1:16-cv-9278 (S.D.N.Y.)  
11 (“the -9278 case”); *Rovi Guides, Inc. v. Comcast Corp.*, Case No. 1:16-cv-9826  
12 (S.D.N.Y.) (“the -9826 case”). The -9826 case, which seeks damages for infringement  
13 of the same patents asserted in the first ITC action, is currently stayed pending the  
14 final resolution of the first ITC action pursuant to a stay that is mandatory if requested  
15 by the ITC respondent (which Comcast exercised), while the -9278 case is partially  
16 stayed and proceeding on certain claims. *Id.*; *see also* 28 U.S.C. § 1659.

17       On April 6, 2016, Rovi filed the first enforcement action against Comcast at the  
18 ITC. *Id.* ¶ 90; *see also Certain Digital Video Receivers and Hardware and Software*  
19 *Components Thereof*, Inv. No. 337-TA-1001, Complaint (USITC April 6, 2016).  
20 There, Administrative Law Judge Shaw found Comcast’s X1 set-top boxes infringed  
21 two of Rovi’s patents; the Commission affirmed the holding; and the parties are  
22 awaiting the Federal Circuit’s decision on Comcast’s appeal. *Id.* ¶ 90.

23       With Comcast continuing to infringe Rovi’s portfolio of patents, on January 10,  
24 2018 Rovi brought the -253 case before this Court and the -10056 case before the



1 District of Massachusetts. *Id.* ¶ 91. See *Rovi Guides, Inc. v. Comcast Corp.*, Case No.  
2 2:18-cv-253 (C.D. Cal.) (“the -253 case”); *Veveo, Inc. v. Comcast Corp.*, Case No.  
3 1:18-cv-10056 (D. Mass.) (“the -10056 case”). As with the first round of litigation,  
4 Rovi then brought an enforcement action against Comcast at the ITC, where  
5 Administrative Law Judge McNamara found that Comcast had infringed one of  
6 Rovi’s valid patents. See *Certain Digital Video Receivers and Related Hardware and*  
7 *Software Components*, Inv. No. 337-TA-1103, Complaint (USITC Feb. 8, 2018);  
8 *Certain Digital Video Receivers and Related Hardware and Software Components*,  
9 Inv. No. 337-TA-1103, ID/RD (USITC June 4, 2019). The two district court cases are  
10 stayed pursuant to the statutory, mandatory stay pending a final decision from the  
11 Commission.

12 On January 14, 2019, with Comcast still continuing to infringe Rovi’s patents,  
13 Rovi again brought suit before this Court, filing the -275 case. *Rovi Guides, Inc. v.*  
14 *Comcast Corp.*, Case No. 2:19-cv-275 (C.D. Cal.) (“the -275 case”). Rovi then filed  
15 the -3096 case on April 22, 2019, its eighth enforcement action against Comcast since  
16 2016 and third before this Court. *Rovi Guides, Inc. v. Comcast Corp.*, Case No. 2:19-  
17 cv-3096 (C.D. Cal.) (“the -3096 case”). The -3096 case is stayed pending resolution of  
18 Rovi’s third ITC enforcement action against Comcast per the mandatory statutory  
19 stay. See *Certain Digital Video Receivers, Broadband Gateways, and Related*  
20 *Hardware and Software Components*, Inv. No. 337-TA-1158, Complaint (USITC  
21 April 26, 2019).

22 Across these nine enforcement actions spanning over three years, Comcast and  
23 Rovi have produced over one million documents and taken over 100 depositions that  
24 are subject to the Court’s Protective Order and Cross-Use Agreement. Dkt. No. 80 §  
25

1 20. Comcast now moves to stay this case in the name of “simplifying” and  
2 “streamlining” this action based on nothing more than the filing of two IPRs and the  
3 mere promise that they will file more IPRs in the future.

4 **B. The reasons Comcast has given this Court and the public for**  
5 **not taking a license from Rovi are false.**

6 Comcast calls Rovi’s patents “aging and obsolete,” asserts that it doesn’t  
7 practice Rovi’s patents, and refuses to make what it calls “unreasonable payments.”  
8 Buratti Decl. Ex. A; Answer ¶¶ 93-309. Why would all of Comcast’s competitors  
9 license and use Rovi’s portfolio if it was obsolete? Also, litigated results contradict  
10 Comcast’s factual contentions of non-use. The only two actions brought by Rovi  
11 against Comcast that have proceeded to relief are the first two investigations brought  
12 before the ITC. Both resulted in Rovi winning patent infringement claims against  
13 Comcast with exclusionary and cease and desist orders being entered against Comcast.  
14 If Comcast is not using Rovi’s patented technology, why would the ITC twice find  
15 that it is?

16 Counsel for Comcast, in response to this Court’s direct questioning on what  
17 changes had been made by Comcast from what had previously been licensed, stated  
18 that “Comcast has completely changed the way the system operates through what we  
19 call the Cloud revolution.” Buratti Decl. Ex. B at 10. Because Comcast’s IPG and  
20 recording functionality now lives in the Cloud and not locally with a user, we are told  
21 that Rovi’s asserted patents do not cover that architecture. *Id.* at 10, 11. That factual  
22 contention is directly contradicted by the titles of five of the asserted patents  
23 themselves. They are titled “client-server based interactive [television program] guide  
24 with [remote] server recording.” *See* Rovi’s Am. Compl. Exs. A, D, E, F, G, and H.

1 These cloud-based inventions squarely teach and cover what Comcast now represents  
2 it implemented in its X1 Platform: processing and recording on remote servers in the  
3 cloud. *Id.*

4 One final point concerning Comcast’s factual representations: At the status  
5 conference, Comcast refused to admit that it had previously used Rovi’s technology  
6 even when it was a Rovi licensee for 12 years. Buratti Decl. Ex. B at 9, 10. Does it  
7 make any sense that Comcast would pay hundreds of millions of dollars in licensing  
8 fees and not use any of the licensed patents? Further, the features that Comcast  
9 removed from its X1 system by order of the ITC were features Comcast provided to  
10 its customers during the term of its last license with Rovi. So of course Comcast has  
11 used the Rovi technology it licensed.

### 12 III. LEGAL STANDARD

13 District courts have inherent authority to manage their dockets and to deny  
14 requests to stay proceedings. *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed.  
15 Cir. 1988). “[A] court is under no obligation to delay its own proceedings by yielding  
16 to ongoing PTAB patent reexaminations—even if the reexaminations are relevant to  
17 the infringement claims before the Court.” *Speakware, Inc. v. Microsoft Corp.*, Case  
18 No. 8:18-cv-01293, 2019 U.S. Dist. 2019 WL 1878350, at \*2 (C.D. Cal. Feb. 21,  
19 2019) (quoting *Robert Bosch Healthcare Systems, Inc. v. Cardiocom, LLC*, Case No.  
20 3:14-cv-1575, 2014 WL 3107447, at \*3 (N.D. Cal. July 3, 2014)). Courts largely  
21 consider three factors when analyzing whether to stay patent litigation pending *inter*  
22 *partes* review: “(1) whether discovery is complete and whether a trial date has been  
23 set; (2) whether a stay will simplify the issues in question and trial of the case; and (3)  
24

whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.” *Universal Elecs.*, 943 F. Supp. 2d at 1030-31.

But the court’s inquiry is not limited to these factors and instead encompasses the totality of the circumstances. *Polaris Innovations Limited v. Kingston Technology Company, Inc.*, Case No. 8:16-cv-00300, 2016 WL 7496740, at \*1 (C.D. Cal. Nov. 17, 2016). Courts in this District aim “to ensure that cases are managed in the interests of justice.” *Carl Zeiss A.G. v. Nikon Corp.*, Case No. 2:17-CV-07083, 2018 WL 5081479, at \*4 (C.D. Cal. Oct. 16, 2018). “While case law supplies these general considerations, the Court ultimately must decide whether to issue a stay on a case-by-case basis.” *e.Digital Corp. v. Dropcam, Inc.*, Case No. 3:14-cv-4922, 2016 WL 658033, at \*2 (N.D. Cal. Feb. 18, 2016).

#### IV. ARGUMENT

##### A. A stay unduly prejudices Rovi and presents a tactical advantage to Comcast.

Comcast mistakenly states “A stay would not unduly prejudice Rovi as its money damages claims will not be impaired.” Memo ISO Mot. at 2. This statement simultaneously misses the point and exposes Comcast’s litigation strategy. The point is not “if” but “when.” By delaying any opportunity for Rovi to be awarded damages in any of the filed damage actions, Comcast preserves a status quo with the following adverse consequences to Rovi: (1) Rovi’s patented technology is being used by Comcast for free, thereby diminishing its perceived value in the marketplace; (2) Rovi’s patent licensing business is imperiled as Comcast’s conduct is being observed by other Rovi licensees whose licenses will come up for renewal in a few years; and (3) Rovi is condemned to institute new and additional actions asserting more patents

1 until sufficient damages are awarded to require Comcast to act lawfully. *See*  
2 *Intellectual Ventures I LLC v. Toshiba Corp.*, Case No. 1:13-cv-453, 2015 WL  
3 3773779, at \*2 (D. Del. May 15, 2015) (finding undue prejudice “[b]ecause patent  
4 licensing is a core aspect of [Plaintiff’s] business”); *Realtime Data LLC v. Actian*  
5 *Corp.*, Case No. 6:15-CV-463, 2016 WL 3277259, at \*2 (E.D. Tex. June 14, 2016)  
6 (“[Plaintiff] has an interest in the timely enforcement of its patent rights.”); *see also*  
7 Memo ISO Mot. at 11 (acknowledging that Rovi’s goal is to license its patents to  
8 Comcast and Rovi already licenses to other major Pay-TV providers).

9       Additional facts demonstrate the last adverse consequence of the proposed stay  
10 discussed immediately above Rovi’s enforcement actions against Comcast are  
11 business necessities. Rovi has been diligent in protecting its licensing business,  
12 including through nine actions (in district court and at the ITC) over three years. Two  
13 of these actions, both at the ITC, have reached decisions on the merits. In both  
14 instances, Comcast was found to infringe Rovi’s patents, and corresponding exclusion  
15 orders issued. In both instances, rather than consider a license in good faith, Comcast  
16 chose to remove the infringing features from its X1 Platform to circumvent the  
17 exclusion order. With its willingness to strip its products and continue litigating,  
18 Comcast forces Rovi to assert additional patents. A stay here would be entirely to  
19 Rovi’s detriment. A stay would push out the date of any possible decision of the  
20 merits, and Rovi—driven by business necessity—would likely have to assert more  
21 patents and engage more judicial resources in multiple forms to once again try to drive  
22 this matter to resolution. In view of such prejudice, this factor weighs heavily against  
23 a stay.

1           **B.     A pre-filing, pre-institution stay is premature.**

2           Until the PTAB decides whether to institute Comcast’s promised petitions for  
 3 IPR against the eight patents asserted in this case—all but two of which have yet to be  
 4 filed—Comcast’s request to stay should, at the very least, be postponed. Comcast  
 5 seeks a broad stay based on two petitions for IPR and a mere stated intention to file  
 6 others. *See* Memo ISO Mot. at 7. But the PTAB has not acted on Comcast’s two  
 7 petitions. Comcast also does not cite any case in which a stay was granted when the  
 8 majority of the IPR petitions had not even been filed. To the contrary, courts in this  
 9 district routinely deny stays requested “based on nothing more than the fact that a  
 10 petition for inter partes review was filed.” *Speakware, Inc. v. Microsoft Corp.*, Case  
 11 No. 8:18-cv-01293, 2019 WL 1878350, at \*3 (C.D. Cal. Feb. 21, 2019) (quoting  
 12 *Polaris Innovations Limited v. Kingston Technology Company, Inc.*, Case No. 8:16-  
 13 cv-00300, 2019 WL 7496740, at \*2 (C.D. Cal. November 17, 2016)) (internal  
 14 quotations omitted); *see also Uniloc 2017 LLC v. Microsoft Corporation*, Case No.  
 15 8:18-cv-2053, Dkt. No. 65 at 2 (C.D. Cal. April 29, 2019) (Guilford, J.) (denying  
 16 defendant’s motion to stay based on filed but not yet instituted IPRs). This is in line  
 17 with the majority of courts nationwide that “have postponed ruling on stay requests or  
 18 have denied stay requests when the PTAB has not yet acted on the petition for  
 19 review.” *KFx Med., LLC v. Stryker Corp.*, Case No. 3:18-CV-1799, 2019 WL  
 20 2008998, at \*1–2 (S.D. Cal. May 7, 2019) (citing *Trover Grp., Inc. v. Dedicated*  
 21 *Micros USA*, Case No. 2:13-CV-1047, 2015 WL 1069179, at \*5 (E.D. Tex. Mar. 11,  
 22 2015) (collecting cases)).

23           As one court observed finding *in favor of Comcast* to deny a stay: “If litigation  
 24 were stayed every time a claim in suit undergoes reexamination, federal infringement

actions would be dogged by fits and starts.” *Comcast Cable Commc’ns Corp., LLC v. Finisar Corp.*, Case No. 3:06-cv-4206, 2007 WL 1052883 at \*1 (N.D. Cal. Apr. 5, 2007). The effect of a stay would be no different here.

**C. This case is not at an early stage when the multi-year, multi-suit Rovi/Comcast dispute about this same technological subject matter is considered.**

Comcast is technically correct when it says that not much discovery has been conducted in the -275 case. Memo ISO Mot. at 7 (noting that discovery is “in its earliest stages”). But the early stage of discovery in the -275 case should not weigh heavily on this Court’s determination given the extensive discovery already conducted across this multi-year, multi-suit Rovi/Comcast dispute, including over *one million documents and more than one hundred depositions*. The accused products in the -275 case are the same or nearly identical to those that have been accused in every Rovi/Comcast action since 2016, and the accused functionalities are technologically related to those that have already been litigated. For precisely this reason, the parties agreed early on that all of that prior discovery would be available for use in the -275 case, including depositions. The parties memorialized that agreement in Section 20 of the Protective Order. *See* Dkt. No. 80 § 20 (providing that all “[d]iscovery produced, served, taken, recorded, or submitted by or on behalf of the parties in any Related Litigation shall be deemed taken, produced, and usable in this action”). Considering all of this preexisting, usable discovery, the stage of discovery in this case is actually quite advanced and not much discovery remains to be collected. *See, e.g., Carl Zeiss A. G. v. Nikon Corp.*, Case No. 2:17-CV-07083, 2018 WL 1855525, at \*2 (C.D. Cal. Feb. 9, 2018) (finding that production of 760,000 pages of documents and disclosure



1 of some expert witnesses indicated that “contrary to [d]efendants’ assertion that this  
2 case is in its early stages, in fact the parties have served extensive discovery already  
3 and only have a short period of time left to continue their discovery efforts.”); *Uniloc*  
4 *2017 LLC v. Microsoft Corporation*, Case No. 8:18-cv-2053, Dkt. No. 65 at 2 (C.D.  
5 Cal. April 29, 2019) (Guilford, J.) (“The -00428 case is in its early stages, but the  
6 parties are conducting coordinated discovery between these consolidated matters. It’s  
7 unclear whether the exact stage of the -00428 case should weigh heavily when the  
8 parties should already be forging ahead on discovery in the -02053 case.”).

9 **D. A stay of the entire action will only prolong this case with no**  
10 **benefit of simplifying the issues.**

11 Comcast premises its argument that a stay of the entire action will simplify the  
12 issues on its promise that it will file IPR petitions challenging all of Rovi’s asserted  
13 patents and its presumption that the PTAB will institute each of those IPRs. Rovi’s  
14 right to a fair and speedy resolution of its patent claims should not be denied based on  
15 that conjecture. While Comcast supports its conjecture with the relative success it has  
16 had in the past in the PTAB invalidating Rovi patent claims, Memo ISO Motion at 1,  
17 changed circumstances at the Patent Office make prior IPR results less predictive of  
18 future IPR outcomes.

19 The law governing PTAB invalidity review has changed. In April 2018, the  
20 Supreme Court held the PTAB must either institute on all challenged claims or none.  
21 *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). Because a challenger need  
22 only show a likelihood of success as to one challenged claim in order to have review  
23 of all challenged claims instituted, many claims with unimpeachable validity  
24 credentials are caught up in the review. Thus, the likelihood of the PTAB finding all



1 challenged claims invalid is dramatically lowered. And as of June 2019, for FY 2019  
2 the PTAB has instituted in just 62% of its decisions on institutions. *See* Buratti Decl.  
3 Ex. C at 6. As a result, it is unlikely that any issues will be substantially simplified for  
4 this Court. In November 2018, the Director of the PTO, recognizing that the  
5 pendulum had swung too far towards invalidating patents, promulgated a new rule  
6 abandoning the PTO's use of the prior "broadest reasonable interpretation" standard  
7 for claim construction and adopting the "ordinary and customary" standard in use by  
8 the courts. Buratti Decl. Ex. D; *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed.  
9 Cir. 2005). Finally, this month, in an effort to stop the practice of challengers filing  
10 numerous IPRs on a single patent, the director issued guidance that "multiple petitions  
11 by a petitioner are not necessary in the vast majority of cases." Buratti Decl. Ex. E at  
12 26-28. (This guidance cites to several of Comcast's many parallel IPR petitions  
13 against Rovi for a single patent. *Id.* at 27.) By including even the strongest patent  
14 claims in the review, narrowing the scope of the challenged claims, and discouraging  
15 multiple petitions by a challenging party, the PTAB has made it much less likely that  
16 it will find all asserted claims are invalid, which limits any potential simplification of  
17 the issues here.

18 Having only filed two petitions for IPR (both against just one of the eight  
19 asserted patents), and with little more than a stated intention to file more petitions in  
20 the future, Comcast is asking for what is in effect a three year stay of an active case.  
21 But no IPRs have been instituted, and so the potential "streamlining" effect of a stay is  
22 dubious at best. *See, e.g., Fulfillium v. ReShape Medical LLC*, Case No. 8:18-cv-1265,  
23 Dkt. No. 120 at 6 (C.D. Cal. May 27, 2019) ("[A]s has become clear by the parties'  
24 litigation and discovery history, a stay will not simplify the issues or conserve judicial

resources; it will merely extend them.”); *Hologram USA, Inc. v. VNTANA*, 3D, LLC, Case No. 2:14-cv-9489, 2015 WL 12791513, at \*3 (C.D. Cal. Dec. 7, 2015) (“[T]he undecided status of the IPR petition clouds the simplification inquiry. The fact that the petition has not yet been granted or denied makes it more difficult to predict whether the issues are likely to be simplified. Thus, this factor offers little support for granting a stay.”); *DiCon Fiberoptics, Inc. v. Preciseley Microtechnology Corp.*, Case No. 5:15-cv-1362, 2015 WL 12859346, at \*2 (N.D. Cal. Oct. 13, 2015) (“Until the PTAB makes a decision on whether to grant the IPR petition, any argument about whether the IPR process will simplify issues in this litigation is highly speculative . . .”).

A stay will also not simplify the issues because there is considerable technological overlap between this case and the other litigation between the parties. This Court recently denied a stay in circumstances very similar to this case, where multiple coordinated cases involving the same subject matter existed. *See Uniloc 2017 LLC v. Microsoft Corporation*, Case No. 8:18-cv-2053, Dkt. No. 65 at 2 (C.D. Cal. April 29, 2019) (Guilford, J.). There this Court recognized that in cases where there is considerable “technological overlap” between coordinated cases, there is “less simplification by a stay . . . compared to other circumstances.” *Id.* This case focuses on one technology: cloud DVR functionality on the cloud-based X1 Platform, which has been the subject matter of extensive prior discovery that is all usable in this case. Comcast’s cloud-based technology has been relevant to all the litigations between the parties to date and continues to be relevant in the ongoing ITC investigation. As a result, the Parties have already undertaken extensive discovery on Comcast’s cloud infrastructure and will, even putting this case aside, likely undertake more in the ITC case. As noted above, this discovery is subject to the Cross-Use Agreement between

1 the parties that pertains to all ongoing litigations. Ultimately, the technological  
2 specifics of Comcast's cloud-based X1 Platform, including the DVR functionalities  
3 here, will remain a contested issue between the parties even with a stay of this case. In  
4 light of the ongoing litigation between the parties involving the same technologies and  
5 cloud-based infrastructure, a stay will not simplify the issues here.

6       Additionally, it is unlikely all the asserted claims challenged in Comcast's (still  
7 forthcoming) IPRs will be canceled or even instituted to begin with, as strongly  
8 suggested by the fact over two-thirds of the 35 IPRs from Comcast's most recent  
9 wave of IPRs were denied institution. And once Comcast's petitions are rejected or  
10 after any claims survive IPRs, Comcast will still make validity challenges. In its  
11 opening brief, Comcast notes it will file motions for judgment on the pleadings under  
12 35 U.S.C. § 101 and summary judgment motions. Memo ISO Mot. at 7-8. Tellingly,  
13 Comcast does not state its summary judgment motions would be limited to  
14 infringement or other non-invalidity-based defenses after a stay. As such, stay or not,  
15 the Court is going to face the same procedures, the same motions, and ultimately the  
16 same burdens.

17       Even if some issues in this case are ultimately narrowed through the IPR  
18 process, nearly all of the discovery at issue will still be relevant to the non-instituted  
19 claims, given that this case narrowly focuses on cloud DVR functionality in the cloud-  
20 based X1 Platform. In other words, a stay makes little sense at this point, because the  
21 issues will not be simplified, but rather the case merely prolonged. Instead, under  
22 Rovi's proposed bifurcation approach, any issues that can potentially be simplified  
23 will be through a stay of only the patents that are, in fact, instituted.

1 Not only would a stay fail to simplify the issues, it may actually increase the  
2 issues. Strange but true. The portfolio Comcast refused to license in 2016 contains  
3 over a thousand patents, and the clock continues to run for Comcast's infringement of  
4 other Rovi patents. To the extent this case is stayed, Rovi will be forced to file more  
5 enforcement actions against Comcast, expending judicial resources in both this Court  
6 and others around the country in order to preserve Rovi's damage claims and protect  
7 Rovi's intellectual property rights. Accordingly, when considering the overarching  
8 conflict as a whole, a stay would likely increase the issues for judicial decision and  
9 increase the expenditure of valuable judicial resources, without incentivizing the  
10 parties to work towards the only possible resolution to all cases—a negotiated  
11 settlement.

12 **E. The alternative relief Rovi proposes is the fair and appropriate**  
13 **disposition of Comcast's motion to stay.**

14 This Court actively and creatively manages cases. This Court is a hands on  
15 Court. By virtue of prior case assignments, this Court is singularly positioned to  
16 effectively manage this extended, nationwide, multi-case dispute to resolution.

17 Often a defendant will only get serious about resolving a dispute if it confronts  
18 trial. The sooner Rovi's district court cases against Comcast proceed to trial, the  
19 sooner a business resolution will be fashioned and the sooner all of this litigation will  
20 end. Comcast's motion to stay is its most recent effort to delay judgment day.

21 Rovi is not unmindful of the potential judicial economies in staying that portion  
22 of a patent case that is the subject of an instituted IPR review. But we are not there  
23 yet. And, in the event the PTAB actually institutes IPR review, there are procedural  
24 ways to capture those economies while allowing Rovi to expeditiously proceed to  
25

1 judgment. If Comcast files its promised IPR petitions on all asserted claims and if an  
2 IPR on all claims of one or more patents is subsequently instituted by the PTAB, the  
3 Court could then consider all its procedural options, including bifurcating this action  
4 pursuant to Rule 42(b) of the Federal Rules of Civil Procedure between those patents  
5 for which validity review of all asserted claims have been granted by the PTAB and  
6 all other asserted patents. Whether such bifurcation is the proper, the best procedural  
7 approach can only be known later, when the full extent of the PTAB's institution  
8 decisions on all of the asserted patents becomes known. If the Court at that time  
9 determines bifurcation is appropriate, an order could then be entered staying all  
10 proceedings on the IPR review patent(s) and the case could otherwise proceed  
11 expeditiously to judgment.

## 12 **V. CONCLUSION**

13 Thus, taken together, the unique circumstances of this case as part of a larger  
14 global patent licensing dispute between the parties, the indeterminate status of  
15 Comcast's petitions for IPR, the extensive discovery already exchanged between the  
16 parties, the diminished likelihood of institution by the PTAB, and the overlap in  
17 subject matter between this case and other ongoing cases weigh against a stay here.  
18 The Court should deny Comcast's motion to stay without prejudice and order the  
19 parties to submit a joint status report to the Court ten days following the last  
20 institution decision of the PTAB concerning all of the patents currently asserted in this  
21 litigation. That joint status report should contain: (1) a joint statement of the parties  
22 concerning the institution decision by the PTAB on each of the asserted patents and  
23 (2) each party's separate recommendation concerning whether a stay should issue,  
24

1 what should be stayed, whether bifurcation is appropriate, and any other procedural  
2 recommendation any party wishes to make to the Court.

1 DATED: July 29, 2019

Respectfully submitted,  
MCKOOL SMITH, P.C.

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3  
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